

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP  
CITY OF COLLEGE STATION  
AUGUST 17, 2011

STATE OF TEXAS           §  
                                     §  
COUNTY OF BRAZOS       §

**Present:**

Nancy Berry, Mayor

**Council:**

Blanche Brick  
Jess Fields  
Karl Mooney  
Katy-Marie Lyles  
Julie Schultz  
Dave Ruesink

**City Staff:**

David Neeley, City Manager  
Kathy Merrill, Assistant City Manager  
Frank Simpson, Assistant City Manager  
Carla Robinson, City Attorney  
Sherry Mashburn, City Secretary

**1. Call to Order and Announce a Quorum is Present**

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:16 p.m. on Wednesday, August 17, 2011 in the Carter Creek Wastewater Training Facility 2200 North Forest Parkway, College Station, Texas 77842.

**2. Presentation, possible action, and discussion on the FY 201 1-2012 Proposed Budget.**

NON-DEPARTMENTAL EXPENDITURES

General and Administrative Transfers: (\$5,668,355)

Public Agency Funding: \$1,079,316

This increased from \$907,013 in FY11. The RVP was increased \$50,000 and the Arts Council O&M is up \$25,550 and the Arts Council Affiliates is budgeted for \$100,000 this year; this was funded with hotel tax funds last year. The Brazos Animal Shelter has been increased from \$169,513 to \$191,266. The Health Department decreased from \$351,500 to \$326,500.

- Hotel Tax Fund: This was discussed to provide clarification on some of the public agency funding. Revenues are proposed to come in at \$3,400,680. Proposed expenditures in the amount of \$2,085,142 include special events and programs, convention center land debt service, Convention and Visitors Bureau, Arts Council affiliates, Veteran's Memorial, Bryan/College Station Chamber, Northgate advertising, and other/contingency.

#### Other/Transfers Out

\$3,427,883

The Economic Development Fund; Interfund Loan-First Street property; Texas 21, High Speed Rail; state legislative consulting; transfer to Northgate District; appraisal district; and the Gulf Coast Strategic Highway Coalition are proposed to be funded in an amount of \$814,157. \$2,613,726 will come from a Recreation Fund subsidy.

#### Contingency

\$ 250,000

#### GENERAL FUND FINANCIAL FORECAST

Revenue projections are based on economic conditions which have resulted in conservative revenue estimates. Sales tax is projected to have a slight increase. No future tax rate increase is expected. Permit revenues are estimated conservatively. Investment earnings are lower.

There will be limited new expenditures, along with a limited pay plan, and increased health care and retirement costs. Expenditures will include the continuation of the Police strategic plan and the O&M for Fire Station #6.

#### KEY GENERAL FUND POLICY DECISION POINTS

The General Fund is funded through the Effective Tax Rate proposals, and we are proposing a shift from debt to O&M. There are budget and service level reductions. Utility transfer policy changes are also proposed.

#### PROPOSED GENERAL DEBT SERVICE FUND

The FY11 Debt Service rate is 22.0194 cents. The proposed FY12 Debt Service rate is 20.1536 cents. This satisfies the FY12 Debt Service requirements of \$12,649,002. The parking garage debt is funded from parking revenues, and the Cemetery debt service is paid from the tax rate.

#### OTHER GOVERNMENTAL FUNDS

Chief Financial Officer Jeff Kersten touched on the Economic Development Fund. \$250,000 is proposed to be transferred back from the Economic Development Fund into the Electric Utility Fund.

Capital Projects: In 2008, the citizens authorized bonds for \$76.9 million. These bond projects include streets & transportation, parks, library, and a fire station.

#### ELECTRIC UTILITY FUND

Revenues are proposed at \$100,623,786. This assumes a 2% growth in residential and commercial. No rate increase is included in the FY12 proposed budget, but the forecast shows a future rate increase in FY13.

Proposed expenditures are \$98,236,372. Approximately \$86.5 million is for operations and transfers, including purchased power and wheeling costs. Service level adjustments are \$214,000. Reduction SLA's include the Goodwill Tree Program and the Sun Source Solar Photovoltaic Rebate Program. Increase SLA's include the Transmission Tree Trimming Program, NERC certification pay, transformer maintenance, Electric Substations General Labor Program, Meter Testing Program, and Dispatch Center operating cost. Other expenditures are pay adjustments, debt service cost, transfer to General Fund (ROI), and direct capital.

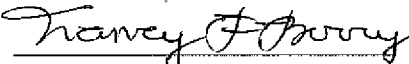
Key capital projects were briefly touched upon, the largest being production projects in the amount of \$3,000,000. The most costly being the landfill with BVWSMA.

**3. Presentation, possible action and discussion on the 2010-2011 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2011-2012.**

This item was not discussed.

**4. Adjournment**

**MOTION:** There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:26 p.m. on Wednesday, August 17, 2011.

  
Nancy Berry, Mayor

ATTEST:

  
Sherry Mashburn, City Secretary